GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:6422
ANSWERED ON:08.05.2000
MINIMUM NEED PROGRAMME
KANTILAL BHURIA

Will the Minister of POWER be pleased to state:

(a) whether the Rural Electrification Corporation provide loan on concessional rates under the Minimum Need Programme; and

(b) if so, the reasons for non-completion of electrification of far flung villages in the States?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : Loans under the Minimum Needs Programme (MNP)are provided by Rural Electrification Corporation(REC)at rates fixed by Government from time to time. The rate of interest for MNP category loans given by REC to State Electricity Boards/Power Departments, is 12.5% per annum and the period of re-payment of loan is 30 years, including moratorium period of 5 years.

(b) : Priority areas for village electrification are decided and determined by the State Governments/State ElectricityBoards keeping in view the availability of financial resources with the State Electricity Boards/State Power Utilities and asper the policy and the directions of the State Governments. Many of the villages remaining for electrification in the far flung villages are inaccessible. State Electricity Boards find it un-economicalto electrify these villages. In addition, paucity of concessional resources has also affected the village electrification programme. Some of the other reasons for slow progress of electrification in far flung villages are inadequate sub-distribution system facilities, disturbed conditions prevailing i n some States, non-repayment o f dues o f Rural Electrification Corporation resulting in no cash flow, lack of demand from the consumers due to backwardness and poor economic conditions.